### PART F FINANCIAL AID POLICY

#### 1.00 Introduction

This policy describes the goals, programs, student eligibility criteria for each program, and eligibility standards for institutions participating in Colorado's three primary state-funded student assistance programs:

- Need-based aid assists students who cannot otherwise afford to attend college.
   Colorado Student Grant and Colorado Graduate Grant programs are designed for students with demonstrated need.
- Merit-based aid recognizes and recruits outstanding students. Colorado Undergraduate Merit and Colorado Graduate Fellowship programs are provided to recognize outstanding academic achievement of students.
- Work-based aid allows students to earn funds to assist in attending eligible educational institutions. It is considered a form of "self-help" assistance, since the student is earning money to help meet educational costs. Employment may be in jobs at eligible Colorado educational institutions, non-profit organizations, governmental agencies, or for-profit organizations. While the majority of funds are reserved for undergraduate students with documented financial need (minimum of 70 percent), a limited number of students who wish to work their way through college may benefit from the work-study program without documenting need.

The state-funded entitlement programs (Native American Tuition Assistance Program, Dependents Tuition Assistance Program) and the federal matching requirement programs (Federal Loan Matching, Leveraging Educational Assistance Partnership Program) are statutorily mandated and are referenced in Appendix A.

# 2.00 Statutory Authority

Statutory authority for the Colorado Student Grant, Colorado Graduate Grant, Colorado Undergraduate Merit, and Colorado Graduate Fellowship programs is contained in 23-3.3-501, C.R.S.

Scholarship and grant program – funding. The commission shall use a portion of any moneys remaining after meeting the requirements of parts 2 and 3 of this article to provide other programs of financial assistance based upon financial need, merit, talent, or other criteria established by the commission for students enrolled at institutions.

Statutory authority for the Colorado Work-Study Program is contained in 23-3.3-401, C.R.S.

Work-study program established – requirements. (1) The commission shall use a portion of any moneys remaining after meeting the requirements of parts 2 and 3 of this article to provide a work-study program of employment of qualifying students in good standing with the institution in which they are enrolled in positions that are directly under the control of the institution in which the student is enrolled or in positions with non-profit organizations, governmental agencies, or for-profit organizations with which the institution may execute student employment contracts.

- (2) Any in-state student who is enrolled or accepted for enrollment at an institution as an undergraduate may qualify for participation in the work-study program established pursuant to this section.
- (3) Funds appropriated to the commission may also be used by the commission in conjunction with and to supplement funds for current job opportunities or to supplement or match funds made available through any other public or private program for financial assistance. A sum not to exceed thirty percent of the funds allocated by the commission for the work-study program may be used to provide funding on a basis other than financial need. A sum of not less than seventy percent of such money shall be used for students demonstrating financial need.

# 3.00 Goals, Principles and Terminology

3.01 Policy Goals for State-Supported Financial Aid

CCHE's Financial Aid Policy is designed to facilitate access for Colorado residents and provide academic incentives that promote academic achievement in college.

#### 3.01.01 Need-Based Aid

The goal of need-based student financial aid is to provide financial resources to Colorado residents who otherwise would be unable to pursue postsecondary education.

#### 3.01.02 Merit-Based Aid

The goal of Colorado's Undergraduate Merit Award Program is to recruit and retain undergraduate Colorado resident students who demonstrate high levels of academic achievement.

The goal of Colorado's Graduate Fellowship Program is to recruit and retain highly qualified graduate students by providing support as teaching or research fellows.

# 3.01.03 Work-Study Aid

The goal of Colorado's Work-Study Program is to allow Colorado undergraduate resident students to earn funds while enrolled in a Colorado institution of higher education.

## 3.02 Principles

The Financial Aid Policy is based on the following principles:

- 3.02.01 Financial aid policies and practices should maximize the amount of financial aid funds available for Colorado residents by using federal dollars as the initial funding base, and by taking into consideration federal tax credits.
- 3.02.02 Students have a responsibility to contribute toward their cost of education. Student responsibility may be demonstrated in several forms, such as a workstudy job, outside employment, or earning merit-based scholarships.
- 3.02.03 State financial aid need-based dollars should be directed toward the students with the least ability to pay the cost of higher education.
- 3.02.04 The state and the institutions are co-responsible for ensuring student access to higher education. The state's role is to provide leadership by defining the operating values, specifying the statewide goals, and allocating the funds. The institutions are responsible for creating policies and programs that meet the statewide policy goals by developing the procedures, administering the programs, and making the appropriate decisions to assist individual students in achieving their educational goals.

# 3.03 Terminology

<u>Award Year</u> begins July 1 and ends June 30. All funds appropriated for a particular fiscal year are awarded to students enrolled during the award year.

<u>Colorado Resident Student</u> is a student who is eligible for in-state tuition classification as defined in Title 23, Article 7, C.R.S. For financial aid purposes, the definition applies to public and non-public institutions.

<u>Cost of Attendance</u> is the cost of attending the institution, including tuition and fees, books and supplies, room and board, personal expenses and transportation costs. Each year, CCHE establishes parameters for living expenses that are used to establish each institutional cost of attendance.

<u>Dependent Student</u> is one who does not qualify as a self-supporting or independent student.

Eligible Institution is an educational institution operating in Colorado which meets requirements specified in 23-3.3-101 C.R.S., and can document that it has a

governance structure and institutional capability to administer a student aid program. A change in ownership or control of an eligible proprietary institution terminates eligibility. A new application must be submitted by the owners.

Eligible Program is a program of education or training which:

- admits, as regular students, only persons having a certificate of graduation from a
  secondary school (high school graduates), the recognized equivalent of that
  certificate (GED), or persons beyond the age of compulsory school attendance in
  the State of Colorado who have been shown to have the ability to benefit from the
  education or training offered;
- leads to an associate, bachelor, professional, or higher degree, or;
- is at least a two-year program which is acceptable for full credit toward a bachelors degree, or;
- is at least a one-year program leading to a certificate or a degree that prepares a student for gainful employment in a recognized occupation, or;
- is, for a proprietary institution or a postsecondary vocational institution, a program that provides at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours of undergraduate instruction offered during a minimum of 15 weeks of instruction, leading to a certificate or degree which prepares students for gainful employment in a recognized occupation.

<u>Eligible Student</u> is one who is enrolled in an eligible program as a "regular student." A "regular student" is defined as a student who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution.

<u>Expected Family Contribution (EFC)</u> is the amount that the student's family is expected to contribute towards cost of attendance, usually based on the family's income and assets, as evaluated by the formula known as "Federal Needs Analysis Methodology" specified in federal law.

<u>Financial Need</u> is the difference between the student's budget and the student's and family's resources as evaluated by the formula known as "Federal Needs Analysis Methodology" specified in federal law.

<u>Full-time Graduate Student</u> is a graduate student who is enrolled in at least nine semester or quarter hours per academic term.

<u>Full-time Undergraduate Student</u> is an undergraduate student who at minimum is enrolled for:

- twelve semester or quarter hours per regular academic term; or
- twenty-four clock hours per week.

In determining an undergraduate student's enrollment status, credits earned in basic skills courses may only be included for the first two semesters if the student is full-time.

<u>Graduate student</u> is a degree-seeking student who is in attendance at an institution of higher education and is enrolled in an academic program of instruction beyond the baccalaureate level. The term includes any portion of a program leading to either a degree beyond the baccalaureate degree, or a first-professional degree when at least three years of study at the pre-baccalaureate degree level are required for entrance into a program leading to such a degree. A student admitted as a special/provisional graduate student is eligible for financial aid for one term only.

<u>Half-time Graduate Student</u> is a graduate student who enrolls in four to eight semester or quarter hours per academic term.

Half-time Undergraduate Student is an undergraduate student who enrolls in:

- six to eleven semester or quarter hours per regular academic term; or
- twelve to twenty-three clock hours per week.

<u>Independent Student</u> is a student who meets the requirements for self-supporting or independent student status as defined in federal regulations and policy (Public Law 99-498 Section 480 - October 17, 1986).

<u>Professional Discretion</u> is the authority delegated to the Colorado financial aid administrators to exercise judgment in special circumstances when a student has substantively met the state eligibility parameters but circumstances beyond the student's control make the student technically ineligible for state financial aid. The state relies on the financial aid administrator to make such decisions that are in the best academic interest of the student. Because professional discretion provides limited flexibility to be exercised only in special circumstances, the financial aid administrator is solely responsible for ruling on the exception and documenting the decision.

<u>Professional Student</u> is a student who is enrolled in the schools of professional veterinary medicine, law, dentistry and medicine (M.D. program only).

<u>State-funded student assistance</u> refers to the state dollars appropriated to fund the following programs:

- Need-based Programs are the financial aid programs that use "expected family contribution" or income category as a necessary criterion in making the award, including:
  - Colorado Student Grant
  - Colorado Graduate Grant
  - Colorado Leveraging Educational Assistance Partnership (CLEAP) formerly known as Colorado Student Incentive Grant (CSIG)

- Non-need-based Funds are those programs that may be awarded on criteria that do not include "expected family contribution" or income category as a necessary criterion, including:
  - Colorado Undergraduate Merit
  - Colorado Graduate Fellowship
- Colorado Work-Study

Colorado also approves special appropriations for certain groups of individuals (e.g., Tuition Assistance Programs for Dependents of Deceased or Permanently Disabled Members of the Colorado National Guard, Law-Enforcement Personnel or POW/MIA, Native American Tuition Assistance Program). These funds are referred to as categorical programs and have special criteria typically tied to funding.

<u>Undergraduate Student</u> is a student who is enrolled at an eligible institution for the purpose of obtaining a postsecondary certificate, associate degree, or first baccalaureate degree. The following limits apply to certain enrollment situations:

- Undergraduate students admitted as special students, and students enrolled exclusively in basic skills courses, are eligible for one term.
- Basic skills/remedial credits can be included in calculating a student's enrollment status up to the point where a student has attempted 30 total semester credit hours (remedial plus non-remedial).
- Students concurrently enrolled in high school are not eligible for any program of state-funded student assistance, including students enrolled under the Postsecondary Options Act.
- Students are considered as undergraduate students when they are enrolled in study abroad, continuing education, technology-delivered courses, or consortium courses if:
  - The student is admitted to a degree or certificate program at the home institution.
  - The credits are applicable toward the program as if the credits were earned in regular courses at the home institution and the student's transcript at the home institution shows the individual classes taken.
  - When the courses are offered by another institution, written agreements exist between the institutions describing the acceptance of the courses toward the program to which the student is admitted prior to that enrollment.

### 4.00 Institutional Eligibility

### 4.01 Eligible Institutions

Institutions eligible for undergraduate financial aid must meet the requirements specified in 23-3.3-101 C.R.S., and include the following:

- state-supported two- and four-year institutions;
- state local district colleges;
- state area vocational/technical schools:
- non-public colleges, universities, and vocational (proprietary) schools. For these institutions, eligibility is legally tied to ownership. A change in ownership or

control of a non-public institution terminates eligibility. A new application must be submitted by the current owners.

Institutions eligible for graduate financial aid must meet the requirements specified in 23-3.3-101 C.R.S., and include the following:

- state-supported institutions offering graduate programs;
- non-public colleges and universities offering graduate programs which have applied and been approved for participation.

# 4.02 Application Process

The Commission accepts requests from institutions that wish to participate in state-funded financial aid programs each fall. To apply, the legal representative of the institution must submit an application (Appendix C) and attach evidence documenting that the institution has:

- operated two years in Colorado under the current ownership;
- administered federal financial aid programs for the two years under the current ownership; and
- participated in a federal audit of the financial aid operations and resolved any outstanding audit findings.

# 4.03 Maintenance of Eligibility

In order for an approved postsecondary education institution to maintain eligibility to administer state-funded student assistance programs to its students, the following minimum administrative standards must be met:

- utilization of Colorado Student Aid funds consistent with policy;
- timely and corrected submission of required reports to CCHE;
- demonstration of compliance with policy guidelines set forth for administration of Colorado student aid funds;
- performance of a financial audit every two years; and
- resolution of audit concerns prior to the start of the following award year.

# 5.00 Student Eligibility

To be considered for a state-supported financial aid award, all students must meet the following requirements:

- be a U.S. citizen, permanent resident, or eligible non-citizen based on federal Title IV eligibility requirements for federal student aid;
- have registered for selective service, if required;
- be in good standing and demonstrate academic progress according to the institution's published Standards of Satisfactory Academic Progress for financial aid purposes;
- undergraduate students are eligible for state financial aid until they graduate, but not to exceed a maximum of 150% of the program's graduation requirements (credit hours), or the maximum defined by institutional policy, if more restrictive.

Colorado funds two state need-based financial aid grant programs, the Colorado Student Grant Program and the Colorado Graduate Grant Program, for Colorado residents.

#### 5.01.01 Colorado Student Grant

Colorado Student Grant is awarded annually. To be eligible to receive a Colorado Student Grant, the student must meet the following minimum eligibility requirements:

- be an undergraduate student enrolled in an approved certificate or degree program;
- be a Colorado resident;
- be enrolled at least half-time (i.e., six credit hours per term);
- show documented financial need.

#### 5.01.02 Colorado Graduate Grant

Colorado Graduate Grant is awarded annually. To be eligible to receive a Colorado Graduate Grant, the student must meet the following minimum eligibility requirements:

- be a graduate student, enrolled in an approved degree program;
- be a Colorado resident;
- be enrolled at least half-time (i.e., four credit hours per term);
- show documented financial need.

# 5.01.03 Eligibility Limits for Need-Based Grants

To ensure that state need-based dollars are directed to eligible Colorado resident students who have the least ability to pay for their education, CCHE policy defines three funding levels. Using Expected Family Contribution, the institution will award need-based dollars to Level 1 applicants. Level 2 applicants will be considered after meeting the need of Level 1 applicants. Reasonable administrative practices, such as application deadlines, are recognized as realistic and appropriate.

#### Level 1: Students with the Least Ability to Pay

Students with an Expected Family Contribution (EFC) between zero and 150% of that required for a PELL grant. The minimum undergraduate award for this group of students is \$1,500 or the maximum amount of unmet need, whichever is less. The minimum graduate award is \$1,000. The maximum award is \$5,000.

### Level 2: Students with Documented Need and Moderate Ability to Pay

Students with an EFC that is between 150% and 200% of that required for the minimum Pell grant award. Maximum award for this category of students is \$2,500, or the maximum amount of unmet need, whichever is less.

### Level 3: Students with Documented Need and Average Ability to Pay

All other students who demonstrate financial need as calculated by the federal methodology. Maximum award for this category of students is \$500.

## 5.02 Student Eligibility for Merit-Based Financial Aid Programs

Colorado funds two state merit-based financial aid grant programs, Colorado Undergraduate Merit and Colorado Graduate Fellowship. State-supported merit aid is awarded annually. Students must qualify for these competitive awards each year by meeting all criteria. Institutions may adopt other eligibility criteria, in accordance with their institutional role and mission. The policy minimum standards only imply that a student may be considered for a merit award. They do not guarantee an award.

# 5.02.01 Colorado Undergraduate Merit

To be eligible to receive a Colorado Undergraduate Merit Award, the student must meet the following minimum eligibility requirements:

- be an undergraduate student enrolled as a degree or certificate seeking student:
- be a Colorado resident;
- continuing students must demonstrate academic excellence by achieving and maintaining at least a 3.0 cumulative college GPA at the institution in which they are enrolled;
- transfer students applying for merit-based aid must demonstrate academic excellence by transferring into the institution with a 3.0 cumulative college GPA;
- prospective freshmen applying for merit-based aid must provide evidence of academic achievement, as defined by the institution, in one or more of the following areas:
  - high school GPA or high school rank from an accredited high school;
  - standardized test scores;
  - competitive process or portfolio review.

While freshmen applicants may receive initial merit awards on these criteria, renewal of merit aid is contingent upon achieving and maintaining a cumulative college GPA of 3.0 or better.

### 5.02.02 Colorado Graduate Fellowship

To be eligible for a Colorado Graduate Fellowship, the student must meet the following minimum eligibility requirements:

- be a graduate student enrolled in an approved degree program;
- be enrolled full-time (i.e., nine credit hours per term).

# 5.03 Student Eligibility for Work-Based Financial Aid Program

In order to participate in the Colorado Work-Study Program, a student must meet the following eligibility requirements:

- be an undergraduate student in an approved certificate or degree program;
- be a Colorado resident:
- be enrolled at least half-time in an eligible program, except during vacation periods between consecutive terms of enrollment;
- show documented need. This criterion applies to at least 70 percent of work-based funds. The institution has the discretion to use up to 30 percent of work-based funds to award to students on a basis other than need.

#### 5.04 Professional Discretion

The state financial aid eligibility parameters are designed to apply to all financial aid recipients. This policy recognizes, however, that circumstances may exist in which the state financial aid parameters do not adequately address a particular student's situation. Financial aid administrators may exercise professional discretion on a case-by-case basis. The need for special treatment as well as the action taken must be adequately documented in the student's record.

### 6.00 Implementation

New requirements for administering programs go into effect July 1, 2000.

To assure a smooth transition for currently enrolled students, the following conditions will apply:

- Undergraduate students who were enrolled in the 1999-2000 academic year will maintain eligibility for merit-based programs under the financial aid guidelines published in CCHE's Policy Manual on July 1, 1999. These students may be awarded based on the following requirements:
  - three additional years for Fall 1999 Freshmen;
  - two additional years for Fall 1999 Sophomores;
  - one additional year for Fall 1999 Juniors.

This statement does not preclude these students from receiving merit aid beyond this point if they meet the new merit-based requirements.

- 6.02 Incoming undergraduate students may be considered for merit awards in the 2000-2001 year based on the July 1, 1999, requirements, but must meet the new minimum criteria for any succeeding years.
- New requirements for all new and currently enrolled graduate students receiving merit-based aid go into effect on July 1, 2000.
- Institutional packaging policies established after July 1, 2000, must reflect the new policy criteria for awarding students in the 2001-2002 academic year. Students awarded financial aid for the 2000-2001 academic year may be awarded based on the July 1, 1999, policy requirements.

The Commission will review Policies for State-Funded Student Assistance Programs – the goals and the outcomes - three years after the effective date.